

MAINE STATE LEGISLATURE

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L.D. 1649

Date: 4/13/16 Report B (Filing No. H-667)

ENERGY, UTILITIES AND TECHNOLOGY

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STATE OF MAINE
HOUSE OF REPRESENTATIVES
127TH LEGISLATURE
SECOND REGULAR SESSION

COMMITTEE AMENDMENT "B" to H.P. 1120, L.D. 1649, Bill, "An Act To Modernize Maine's Solar Power Policy and Encourage Economic Development"

Amend the bill by striking out the title and substituting the following:

'An Act To Protect Net Metering and Encourage Community Distributed Energy Resource Projects'

Amend the bill by striking out everything after the enacting clause and before the summary and inserting the following:

'Sec. 1. 35-A MRSA §3209-A, as enacted by PL 2011, c. 262, §1, is repealed and the following enacted in its place:

§3209-A. Net energy billing

Customers of an investor-owned transmission and distribution utility may participate in net energy billing in accordance with rules adopted pursuant to this section.

1. Definitions. As used in this section, unless the context otherwise indicates, the following terms have the following meanings.

A. "Distributed energy resource" means an electric generating facility that uses a renewable capacity resource as defined in section 3210, subsection 2, paragraph B-3 or a renewable resource as defined in section 3210, subsection 2, paragraph C or is a micro-combined heat and power system as defined by the commission by rule, or uses any combination of these resources or systems, and that is located in the service territory of an investor-owned transmission and distribution utility. "Distributed energy resource" includes the associated storage of a generating facility.

B. "Net energy billing" means a billing and metering practice under which a customer is billed on the basis of net energy over the billing period, taking into account accumulated unused kilowatt-hour credits from the previous billing period.

2. Municipal and community distributed energy resource projects. Rules adopted by the commission must allow for net energy billing for residential and other

COMMITTEE AMENDMENT

1 customers of an investor-owned transmission and distribution utility and must also
2 permit:

3 A. Net energy billing of municipal accounts designated by a municipality with
4 respect to the energy produced by a distributed energy resource with a nameplate
5 capacity of up to 5 megawatts owned by that municipality; and

6 B. Net energy billing of a distributed energy resource with a nameplate capacity of
7 up to one megawatt, against the accounts of up to 50 customers who have an
8 ownership interest in the distributed energy resource, as long as each customer's
9 proportional interest in the distributed energy resource represents at least one kilowatt
10 of the resource's generating capacity.

11 The commission shall allow any distributed energy resource for which net energy billing
12 is allowed under paragraph A or B to be used to offset part or all of each net energy
13 billing customer's electricity requirements.

14 3. Commission rule review. If the commission reviews its net energy billing rules
15 to determine whether net energy billing should continue or be modified, after finding that
16 an investor-owned transmission and distribution utility's cumulative capacity of
17 generating facilities subject to rules adopted pursuant to this section reached 1% or more
18 of that utility's peak demand, the commission shall retain an independent consultant
19 experienced in net energy billing systems to assist in the commission's review of:

20 A. The effect on industry jobs, stability and net energy billing customer investments
21 that the changes could have;

22 B. The effect of net energy billing over a 25-year period on investor-owned
23 transmission and distribution utilities and customers of investor-owned transmission
24 and distribution utilities, including both customers who do and customers who do not
25 use net energy billing;

26 C. The effect of net energy billing on electric supply resources;

27 D. The effect of net energy billing on system stability;

28 E. The costs and benefits of net energy billing;

29 F. The economic development and environmental effects of net energy billing,
30 including environmental compliance costs; and

31 G. Alternative changes to net energy billing rules or alternative compensation
32 mechanisms, such as time of use or minimum bill amounts, for both net energy
33 billing customers and customers who do not use net energy billing that would avoid
34 disruption in the market and reduce ratepayer costs.

35 4. Rules. The commission may adopt rules to implement this section. Rules
36 adopted pursuant to this subsection are routine technical rules as defined in Title 5,
37 chapter 375, subchapter 2-A. Any rules adopted pursuant to this subsection must fairly
38 apportion the costs and benefits of net energy billing involving distributed energy
39 resources between participating ratepayers and nonparticipating ratepayers.

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Sec. 2. Rules. The Public Utilities Commission shall amend its net energy billing rules by February 1, 2017 to be consistent with the Maine Revised Statutes, Title 35-A, section 3209-A, subsection 2. '

SUMMARY

This amendment is a minority report of the committee and it strikes and replaces the bill. This amendment replaces the provisions of law governing net energy billing with the following.

1. It allows investor-owned transmission and distribution utility customers to participate in net metering.

2. It requires that the Public Utilities Commission allow by rule net energy billing for municipal and community distributed energy resource projects.

3. If after finding that an investor-owned transmission and distribution utility's cumulative capacity of generating facilities subject to commission rules reaches 1% or more of the utility's peak demand, and the Public Utilities Commission reviews its net energy billing rules to determine whether net energy billing should continue or be modified, the amendment requires the commission to retain an independent consultant experienced in net energy billing systems to assist in its review.

4. It requires that the Public Utilities Commission amend its net energy billing rules by February 1, 2017 to be consistent with the Maine Revised Statutes, Title 35-A, section 3209-A, subsection 2.

FISCAL NOTE REQUIRED

(See attached)



127th MAINE LEGISLATURE

LD 1649

LR 2731(03)

An Act To Modernize Maine's Solar Power Policy and Encourage Economic Development

Fiscal Note for Bill as Amended by Committee Amendment

B (H-667)

Committee: Energy, Utilities and Technology

Fiscal Note Required: Yes

Fiscal Note

Potential current biennium cost increase - Other Special Revenue Funds
Potential current biennium revenue increase - Other Special Revenue Funds

Fiscal Detail and Notes

The bill requires the Public Utilities Commission (PUC) to adopt rules allowing net energy billing for certain customers of an investor-owned transmission and distribution utility. This bill requires the PUC to retain an independent consultant experienced in net energy billing systems if the PUC finds that an investor-owned transmission and distribution utility's cumulative capacity of generating facilities reached 1% or more of that utility's peak demand. Were this to happen, the PUC would require an Other Special Revenue Funds allocation of \$100,974 annually and would increase annual assessments by the same amount to fund these consulting costs.